



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
REAL ESTATE APPRAISER COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-1166
615-741-1831**

**July 14, 2008
Room 200, Andrew Johnson Tower**

The Tennessee Real Estate Appraiser Commission met July 14, 2008, at 9:45 a.m. in Nashville, Tennessee, at the Andrew Johnson Tower in Room 200. Chairman, William R. Flowers, Jr., called the meeting to order and the following business was transacted.

COMMISSION MEMBERS PRESENT

William R. Flowers, Jr.
Marc Headden
Kenneth Woodford
James E. Wade, Jr.
Dr. Edward A. Barylak
John Bullington
Najanna Coleman

COMMISSION MEMBERS ABSENT

Jason West
Herbert Phillips

STAFF MEMBERS PRESENT

Nikole Avers, Administrative Director
Jesse D. Joseph, Staff Attorney

CHAIRMAN FLOWERS

Chairman Flowers made a final announcement for the record prior to election of new officers. He stated that in the past year we were able to come into compliance with Appraisal Subcommittee of Congress (ASC) requirements and received a letter from them in February of 2008 acknowledging the Commission's progress. He went on to say that he had been recently informed that the Real Estate Commission office has been experiencing staffing issues and wanted to express his concern and that of the fellow Commission members. He stated that they are concerned that the Commission's complaints, request for reciprocal licensure (temporary permits), and education may fall behind due to these staffing issues. He stated he had spoken with Assistant Commissioner, Steve Majchrzak, about these staffing issues and was told that Nikole would have adequate staffing support in the coming months. Further, he stated the Assistant Commissioner would be at this meeting at 11:30 to address the Commission as a whole on these matters. He stated he wanted this to be on the record because when the Commission is next audited by the ASC, he

wanted them to understand that the Commission is very concerned about maintaining compliance with ASC guidelines.

ELECTION OF NEW OFFICERS AND ADOPTION OF ROBERT'S RULES OF ORDER

Commissioner Woodford recommended and made the motion that Jack Wade be appointed the position of Chairman of the Real Estate Appraiser Commission. Commissioner Bullington seconded the motion; the motion was brought to a vote and carried unanimously. Commissioner Flowers turned over the gavel and floor to Chairman Wade. Commissioner Wade requested nominations for the Vice-Chair position. Mr. Headden nominated and motioned for appointment of Mr. Phillips to be appointed to the Vice-Chair position. Mr. Woodford seconded the motion. The motion carried unopposed.

Chairman Wade stated the next order of business was to adopt Robert's Rules of Order. A motion was made by Mr. Flowers to adopt Roberts Rules and Mr. Bullington seconded that motion. The motion passed.

ADOPT AGENDA

The Commission voted to adopt the agenda. Mr. Headden made the motion to accept the agenda and it was seconded by Mr. Woodford. The motion carried unopposed.

MINUTES

The May 2008 minutes were reviewed. Mr. Woodford made the motion to accept the minutes as written. It was seconded by Mr. Headden. The motion carried unopposed.

GENERAL BUSINESS

Applicant Conferences

Catherine Agnew made application as an out of state applicant to become a certified general appraiser through reciprocity. Ms. Avers stated she checked "yes" to character question three which reads, "Have you ever been convicted of, pled guilty, or pled no contest to any criminal offense, or is there any criminal charges now pending against you". Ms. Agnew was called to the guest microphone to speak to the Commission pertaining to this matter. Ms. Agnew stated, to the Commission, that she was arrested in December of 2003 for driving while intoxicated. She pled guilty in April of 2005. She stated it was a selfish act on her part and she stated she had no excuses. She described that she was at an event and had some drinks. She made the decision to drive home and hit the back of her neighbor's car. She pled guilty, she received a fine, her license was suspended by the State of New York and she could only drive to and from work. She paid the fine and court costs and expressed her regret about the incident. Commissioner Flowers recommended approval of her application. Mr. Woodford seconded that vote. There was some discussion of her home state's (Georgia) education requirements. The matter was called for a vote and the motion carried unopposed.

Marvin R. Allen made application to become a certified residential appraiser; he holds a certified residential credential in the State of Colorado and is listed on the Appraisal Subcommittee website as AQB compliant. Ms. Avers stated he checked "yes" to character question three. Mr. Allen was called to the guest microphone to speak to the Commission pertaining to this matter. Mr. Allen stated, to the Commission, that he was pulled over and arrested in September of 2005 for driving while intoxicated. He was convicted of driving while ability impaired and careless driving in March

of 2006. He stated there was no accident involved and it was extremely poor judgment call on his part to get behind the wheel. He was sentenced to 30 days in home detention with an ankle bracelet, sixty hours of community service, went to a State mandated alcohol course and attended a MADD meeting. He said he paid all fines and restitution. He stated he feels the Real Estate Appraisal business "flows in his blood" and he considers this a vocation and not just a job. He stated he hoped that this error in judgment doesn't prohibit his appraisal career. After some questions about the severity of the punishment, Commissioner Headden recommended approval of his application. Mr. Bullington seconded that motion. The matter was called for a vote and the motion carried unopposed.

Sean Gilbert Goodwin made application to become a licensed appraiser; he holds a certified residential credential in the State of Maryland and is listed on the Appraisal Subcommittee website as AQB compliant. Ms. Avers stated he checked "yes" to character question three. Mr. Goodwin was called to the guest microphone to speak to the Commission pertaining to this matter. Mr. Goodwin stated, to the Commission, that sometime in August of 2004 he was at a party, made the wrong decision and left intoxicated. He was arrested at his destination, but had hit some signs while driving. He was given probation and took some classes. He stated this has definitely changed his life. Commissioner Headden questioned what the policy was for persons from other states that are licensed, and if they are treated the same as certified appraisers. Ms. Avers stated that Mr. Goodwin is marked as AQB compliant and that, per previous policy vote, AQB complaint appraisers from other states are considered to have satisfied the requirements for licensure, as long as there were no other issues with their applications that would prohibit such approval. Mr. Bullington raised questions about the listed violations on the court documents and if they all pertained to the same matter. Mr. Goodwin stated that to the best of his recollection all these were for the same matter. Mr. Flowers recommended approval of his application. Mr. Bullington seconded that motion. The matter was called for a vote and the motion carried unopposed.

Jeffrey W. Ezell had previously been approved, in December of last year, to take the certified residential examination. He took the exam in December of last year, but failed to pass the exam. In January, he stated he fell ill and was hospitalized with pancreatitis and he has since become diabetic and has to take related medications. He has taken the new examination three more times and come within a couple of points of passing each time; however, he has used up all of his annual allotment for examination. He has requested a waiver of the annual limit for examination and an extension of his time limit on his application and waiver of the required application fee. Ms. Avers read the T.C.A. rules pertaining to these requirements for the record:

1255-1-04 APPLICATION FOR APPRAISER LICENSE OR CERTIFICATE.

- (3) Each applicant shall complete all application and examination requirements within one (1) year of the date the Commission grants approval for the applicant to take the required examination. An applicant may not take the required examination more than four (4) times within the one (1) year period following approval; thereafter, an applicant wishing to take the required examination shall reapply and submit a new application fee. The Commission may grant exceptions to the requirements set forth in this paragraph upon appropriate individual request.

Mr. Bullington recommended approval of the request to re-take the test. Mr. Headden seconded the motion. In discussion it was requested that a time limit and number of times be established as

part of this recommendations. Mr. Bullington amended his recommendation to include for him to be able to take the exam two more times within the next 12 months. The motion and second was reaffirmed. The matter was called for a vote and the motion passed unanimously.

Experience Interviews

Brandon Sheriff made application to upgrade from a registered trainee to certified residential appraiser. Mr. Woodford was the reviewer and stated the appraisal reports were satisfactory and he recommended approval. Mr. Headden made the motion to accept the recommendation and Mr. Flowers seconded the motion. The motion carried unopposed.

Roger D. Lynn made application to upgrade from a registered trainee to certified residential appraiser. Mr. Phillips (not in attendance at this meeting) and Mr. Flowers had reviewed the reports. Mr. Flowers conducted the experience interview and he stated the reports were compliant to USPAP Standards and recommended approval. Mr. Headden made the motion to accept the recommendation and Mr. Woodford seconded the motion. The motion carried unopposed.

Christopher B. Ruberg made application to upgrade from a certified residential appraiser to become a certified general appraiser. Mr. Wade was the reviewer and stated the reports were USPAP compliant. He recommended approval of the request for experience credit. Mr. Headden made the motion to accept the recommendation and Mr. Woodford seconded the motion. The motion carried unopposed.

Alyson E. Floyd made application to upgrade from a registered trainee to certified residential appraiser. Mr. Wade was the reviewer and stated there were some problems noted with the appraisals; however, they did show she had experience and understanding of USPAP. One of the three reports had some issues and Mr. Wade recommended that Ms. Floyd be approved for experience credit towards licensed appraiser rather than certified residential. In addition, he recommended a complaint be opened against the supervisor and an informal conference be arranged by staff. Mr. Woodford made the motion to accept the recommendation and Mr. Bullington seconded the motion. The motion carried unopposed.

Merritt F. Creasman made application to upgrade from a certified residential appraiser to become a certified general appraiser. Mr. Headden was the reviewer and stated the mass appraisal submitted is in compliance with Standard Rule 6; however, due to the type and amount of experience claimed under mass appraisal, he recommended the applicant not be approved at this time, but be allowed to re-submit application in six months with a new experience log. Mr. Flowers made the motion to accept the recommendation and Mr. Woodford seconded the motion. The motion carried unopposed.

Kimberly M. Maynord made application to upgrade from a registered trainee to certified residential appraiser. Mr. Headden was the reviewer and stated there were some problems noted with the appraisals such as violations of Standards Rule 2-3 and 1-5 (b). He recommended the applicant not be approved for experience at this time, pending submission of the following courses:

Sales Comparison and Income Approach (30 hours minimum)
Site Valuation and Cost Approach (15 hours minimum)
Two to Four Unit Case Study Course (15 hours minimum)

Upon completion of those three courses, the applicant may send in an updated experience log and attend another experience interview. Mr. Flowers made the motion to accept the recommendation and Mr. Bullington seconded the motion. The motion carried unopposed.

Education Committee Report

Dr. Barylka reviewed the education submitted for approval and recommended approval of the listed courses with the following amendments and notations. He recommended the course "On-line Residential Site Valuation and Cost Approach" only be granted 14 hours of continuing education, not 15 hours of qualifying education, because on-line courses have not been set up in the Rules currently for qualifying education. He stated the application by The Columbia Institute for the course "Appraising REO/Foreclosure No. 125" had an error on the time table because it added up to 400 minutes, not 200 minutes as identified. He recommended that the course "Introduction to Expert Witness Testimony" submitted by McKissock not be granted approval because the content was not significantly appraisal education related but rather appear to be a career improvement type topic. He stated the course "On-line National USPAP Update" submitted by AndMar should be granted approval subject to verification of AQB approval. Lastly, he recommended approval for the individual course approval requested by Mr. Charles W. Benton III for the course taken at CCIM Institute of "Financial Analysis for Commercial Real Estate Investment" be subject to a breakdown of topics by hours. He recommended approval for the individual course approval request of Mr. R. Paul Perutelli for the course "Argus Valuation – DCF" and the instructor approval request of William P. Wilson submitted by the education provider TREES, Inc. Mr. Bullington made the motion to accept Dr. Barylka's recommendation. Mr. Headden seconded that motion. The motion carried unopposed.

EDUCATION COMMITTEE REPORT July 14, 2008

Course Name	Course Number	Course Name	Instructors	Hrs.	Type	Rec'd
Appraisal Institute	1201	On-line Marshall & Swift Residential Cost Training	Edward Molinari	10	CE	To approve
Appraisal Institute	1203	On-line Residential Site Valuation and Cost Approach	Arlen Mills	15/14	Both	Amend to 14 hours CE
Appraisal Institute	1209	Appraising Historic Preservation Easements	Richard Roddewig	20	CE	To approve
Appraisal Institute	1210	Introduction to FHA Appraising	Craig Harrington	7	CE	To approve
Appraisal Institute	1211	Sales Comparison Valuation of Small, Mixed-Use Properties	Craig Harrington	16/15	Both	To approve
Appraisal	1212	Apartment	Craig	16/15	Both	To

Institute		Appraisal: Concepts & Applications	Harrington			approve
Greater Tennessee Chapter of the Appraisal Institute	1202	Evaluating Commercial Construction	James C. Canestaro	16	CE	To approve
ASFMRA	1045	ASFMRA Code of Ethics	Julie Young	4	CE, requesting retroactive approval to 2/13/2007	To approve
ASFMRA	1194	Requirements of UASFLA-The Yellow Book	John Widdoss	24	CE, reconsideration to change course from 22 to 24 hours	To approve
The Columbia Institute	1208	Identifying Relevant Characteristics No. 019	B. Boarnet A. Lovern- Brown B. Crisp G. Harrison S. Henderson R. Hetrick R. Irwin	5	CE	To approve
The Columbia Institute	1213	Appraising in Declining Markets, No. 110	B. Boarnet A. Lovern- Brown C. D. Clark B. Crisp. E. Fisher G. Harrison S. Henderson R. Hetrick R. Irwin D. Jacob H. C. Johnson M. Molloy R. Morris III J. Portera B. Reynolds	8	CE	To approve

			D. Smith			
The Columbia Institute	1214	Appraising REO/Foreclosures, No. 125	B. Boarnet A. Lovern-Brown C. D. Clark B. Crisp. E. Fisher G. Harrison S. Henderson R. Hetrick R. Irwin D. Jacob H. C. Johnson M. Molloy R. Morris III J. Portera B. Reynolds D. Smith	8	CE	To approve, noted error on time table.
McKissock, Inc.	1204	On-Line Introduction to Green Building for Appraisers	Richard McKissock	2	CE	To approve
McKissock, Inc.	1207	2008-2009 National USPAP Update Equivalent	Alan Simmons	7	CE	To approve
McKissock, Inc.	1205	Introduction to Expert Witness Testimony	Various	7	CE	Not to approve
McKissock, Inc.	1206	On-Line The Art of the Addenda	Richard McKissock	4	CE	To approve
Nat'l Assn of Independent Fee Appraisers	1215	Appraisal of Orphan Residential Lots	Lee F. Butzin	7	CE	To approve
AndMar Education	1216	On-Line National USPAP Update	Mel Black	7	CE	To approve subject to verification of AQB approval

Individual Course Approval

Name	License #	Course Provider	Course Name	Hrs	Type	
Charles W. Benton III	1349	CCIM Institute	Financial Analysis for Commercial Real Estate Investment	40	CE	To approve subject to breakdown of topics by hours
R. Paul Perutelli	347	Argus Software	Argus Valuation – DCF	14	CE	To approve

Instructor Approval

Name	License #	Course Provider	Course Name	Hrs	Type	
William P. Wilson III	2	TREES, Inc.	Basic Appraisal Principles	30	QE/CE	To approve
William P. Wilson III	2	TREES, Inc.	Basic Appraisal Procedures	30	QE/CE	To approve
William P. Wilson III	2	TREES, Inc.	National USPAP 15 Hours	15	QE	To approve
William P. Wilson III	2	TREES, Inc.	National USPAP 7 Hours	7	CE	To approve
William P. Wilson III	2	TREES, Inc.	Principles of Capitalization	30	CE	To approve
William P. Wilson III	2	TREES, Inc.	Real Estate Appraisal Application	30	CE	To approve
William P. Wilson III	2	TREES, Inc.	Residential Sales Comparison & Income Approach	30	QE/CE	To approve
William P. Wilson III	2	TREES, Inc.	Residential Site Valuation & Cost Approach	15	QE/CE	To approve
William P. Wilson III	2	TREES, Inc.	Residential Report Writing	15	QE/CE	To approve
William P. Wilson III	2	TREES, Inc.	Market Analysis & Highest & Best Use	15	QE/CE	To approve
William P. Wilson III	2	TREES, Inc.	URAR	16	CE	To approve
William P.	2	TREES, Inc.	Two to Four Unit	16	CE	To

Wilson III			Case Study			approve
William P. Wilson III	2	TREES, Inc.	Environmental Site Assessment	16	CE	To approve
William P. Wilson III	2	TREES, Inc.	Hewlett Packard 12 C Calculator	8	CE	To approve
William P. Wilson III	2	TREES, Inc.	Environmental Hazards	8	CE	To approve
William P. Wilson III	2	TREES, Inc.	Testifying As Expert Witness	4	CE	To approve
William P. Wilson III	2	TREES, Inc.	HUD-FHA Appraisal Guidelines	14	CE	To approve

RECIPROCITY CONSIDERATION – INDIANA AND NEW YORK

Ms. Avers presented two requests for reciprocity consideration from the states of Indiana and New York. After some discussion of current reciprocity agreements, Mr. Headden made the motion to defer this request for six months to allow the Commission members time to investigate the current agreements. Mr. Woodford seconded that motion. The motion carried unopposed.

STAFFING ISSUES – ASSISTANT COMMISSIONER, STEVE MAJCHRZAK

Assistant Commissioner of Regulatory Board, Steve Majchrzak attended the Commission meeting at the request of the Chair to discuss current staff issues. The Real Estate Appraiser Commission is currently down to only one employee: administrative director, Nikole Avers. Due to a hiring freeze and the State's budget issues (Voluntary Buyout Program) no assistants are currently assigned to this Commission. The move of Regulatory Board from one building to another afforded the opportunity for the smaller staff programs (10) to be moved into one area with five director's and a current staff of three assistants. In order to best pool the resources of these staff members, cross training would be implemented. The Director's would still be the resources specialized differences of each of these programs, but the intent is to have a staff of at least four for all those board that are cross trained. Mr. Majchrzak stated he expected that there would be a period of delay in additional staff allotment until, at least, August 15, when the VBP takes effect. He stated he would be monitoring very closely to make sure that the level of service for each of the Boards is maintained.

COMPLAINT REPORT FROM STAFF

Ms. Avers submitted an annual complaint report with graphs to the Commission for review which included complaint patterns for the previous four years along with the previous two years investigation hours.

LEGAL REPORT

Rob McConnell (approved 3/08) -- signed Consent Order requiring him to complete the following education: (i) a Residential Report Writing and Case Studies courses – Parts I and II, for a total of 45 hours of continuing education; and (ii) a seven hour USPAP course from a different provider than the last USPAP course Respondent completed, all to be completed by December 31, 2008. Respondent agreed that he had committed substantial errors of data reporting concerning

comparables(omission and failure to consider seller concessions); by failing to consider the effect on value of such concessions in comparison to cash financing; by failing to verify the features of certain comparables and to make appropriate adjustments; and by failing to report and consider items of condition differences, financing differences and the existence of swimming pools in two comparables and to make appropriate adjustments. Respondent also agreed that his conduct violated SRs 1-1(b), 1-2(c), 1-4(a), 2-1(a), and Tenn. Code §§ 62-39-326(5) and 62-39-329.

Charles Aldridge, Sr., and Charles Aldridge, Jr. (approved 4/08) – Both respondents signed a Consent Order agreeing that they violated SRs 1-1(a)(b)(c), 1-5(a)(b), and 2-2(b)(vii) of USPAP and Tenn. Code Ann. §§ 62-39-326(5) and 62-39-329, by failing to report the asking price, seller paid closing costs, the listing history or any description of how the subject transaction occurred, by failing to reconcile the subject's 36 month transfer/sales history with the value conclusion (subject's being remodeled with fresh paint and new carpet did not justify a 500% appreciation in less than 3 weeks of time), by failing to report no external depreciation or potentially adverse influence although the subject fronts diagonally to a large commercial structure and parking lot, and by failing to provide within the report a thorough analysis of the neighborhood influences in that there were numerous foreclosures in proximity to the subject which were not discussed in the report. Each Respondent paid a \$ 500 civil penalty, and each agreed to complete a 15 hour USPAP course within 90 days after the effective date of the order.

Amy Sparks (approved 4/08) -- Respondent signed a consent order agreeing that she violated SRs 2-1(a), 2-2(c) and the Ethics Rule, Conduct and Record Keeping Sections, and Tenn. Code Ann. §§ 62-39-326(5) and 62-39-329, by rendering a written opinion of value (via e-mail) regarding the subject property to her client without maintaining any work file for the appraisal performed, which would include all data, information and other documentation necessary to support her opinion, and by communicating her opinion in a manner that was misleading as a whole, given that the report did not contain sufficient information to enable the intended user to understand it properly, and given that the report did not contain the information required by SR 2-2. Respondent agreed to complete a 15 hour USPAP course within 90 days after the effective date of the order.

1. L08-APP-RBS-2007089841 Commissioner Phillips was the Reviewer

It is alleged that the Respondent, a state certified residential appraiser, performed and reported an appraisal above his limit. The limit is a value up to, not including, one million dollars (\$1,000,000) for agricultural properties, including agricultural properties with up to two (2) dwelling units. The reported value was \$1,128,100. The Respondent indicated that he reviewed his file and believed he may have sent out a backup copy of this file to the client. He mentioned that his original sponsor and mentor reviews and signs all reports that exceed his license limits. The report submitted with the anonymous complaint was signed by the Respondent only. The report submitted by the Respondent to the Administrative Office was signed by him and a State Certified General Appraiser which was verified by the sponsor. Likewise, this report did not have a signed certification.

Prior Complaint / Disciplinary History: None

Recommendation and reasoning: T.C.A Section 62-39-302 (a) (3) indicates that a state certified residential appraiser may appraise, "Agricultural properties, including agricultural properties with up to two (2) dwelling units, with a value up to , but not including, one million dollars (\$1,000,000)".

Standard Rule 2-3. "Each written real property appraisal report must contain a signed certification that is similar in content to the following form:" See Standard of Profession Practice and Advisory Opinions, Effective July 1, 2006, line 935 -960.

Upon reviewing the respondent's appraisal, it is Commissioner Phillips' finding that the appraised value is above the Respondent's limit. In addition, the Respondent failed to include a signed certification as required by Standard Rule 2-3 which was verified by the sponsor. Likewise, this report did not have a signed certification.

Commissioner Phillips recommends the Respondent be offered a consent order wherein he will be required to pay a civil penalty of \$ 500 and attend a 15-hour USPAP course within 90 days after the effective date of such order which would not be accepted as continuing education.

Vote: Mr. Headden made the motion to accept the recommendation. Mr. Flowers seconded the motion. The motion carried unopposed.

2. L08-APP-RBS-2008000161

3. L08-APP-RBS-2008008471

4. L08-APP-RBS-2008008631 Commissioner Phillips was the Reviewer

Complaint No. 2008000161

The Complainant, a consumer, stated that in 2005 the Respondent appraised his property for more than its market value. He stated this caused him to be mortgaged more than the value of his property and he can't get it refinanced now. He stated he felt the appraiser and the mortgage company took advantage of him.

The Respondent stated, that at the time of the appraisal, the Complainant had requested a substantially larger loan amount than the appraised value. The Respondent stated she has no knowledge of the terms of his closing costs/fees. She stated that the value opinion was reached in 2005, using the best comparables available and that it was reviewed by the mortgage company at the time of the loan. She stated she disagreed with the low value opinion the Complainant referenced and that the tornado damaged and foreclosure properties sell in the range he described and his lot was larger than those properties and it was in better condition at the time of the appraisal. She stated she has no knowledge of the property's current condition.

Complaint No. 2008008471

The Complainant, a fellow practitioner, completed an appraisal review of an appraisal of a two unit rental property completed by the Respondent in March of 2008. Per Complaint, the owner information was misreported, the neighborhood/market information was not summarized with relevant data, the site information was misreported, failed to analyze and reconcile the previous sale with the current value indication (\$32,500 to \$108,000 in 3 months), use of two comparable sales from superior locations, possible omission of seller concessions, and misreporting rental data of comparable sales. In addition, he reported that comparable two was a foreclosure sale and not rented because the property was vacant at the time of listing. The Complainant also stated the A/C

for the subject was reported inconsistently. He further stated that failing to report any repairs that had been done to the subject to increase the value from the previous sale removed credibility from the report and that the appraiser failed to report her license number on the signature page. Finally, the Complaint alleged the property was over-valued due to use of comparables from superior locations and different sizes.

The Respondent stated that the reviewer appraiser correctly states that the owner of the property is MOA, Enterprises, LLC. She received the appraisal assignment as a refinance assignment and noted in the report the borrower as the owner. She disagreed that the market was "weak" or consists of any more foreclosures than any other market in (City). She stated the University area remains a solid market for duplexes and other multi-family dwellings for campus housing. She stated the lot size was accurate per MAAR data. She stated she did not inspect the property prior to purchase, therefore, could not discuss repairs. The appraisal describes the property in good condition and included interior photos. As for using comparables from superior locations, she stated that this appraisal was of a duplex and the renovated single family housing activity is not part of this appraisal assignment. She stated similar renovation was taking place in the subject's location. She stated that the disparity between rent rates is that MLS documents is the rent at the time the property sold, not current rent rates. The Respondent provided copies of the leases at the time of the appraisal. She stated that she had made an error in the report on reporting on one page that the subject did not have central air conditioning. She stated she did not feel the adjustments she made were low. She stated she feels the review appraiser valued the property excessively low, even lower than the tax appraisal before the property was renovated.

Complaint No. 2008008631

The Complainant, a consumer, stated that in the summer of 2007 the Respondent appraised her residence and collected \$350 fee up front. When the Complainant called, she stated the Respondent asked for more time. She had not taken any photos or measurements on the previous inspection and told the Complainant that she would use information from a previous appraisal done in 2005. The Complainant stated that to date she still has not heard from the Respondent, nor has her appraisal fee been returned.

The Respondent stated that she was asked to appraise said property in September of 2007. She stated she was headed out of town and did not have her camera with her, but would return after the weekend to get the needed photos. She stated that the Complainant immediately began insisting on a value opinion of 1.2 million dollars. She told the Complainant that she had to remain unbiased and would need to complete the entire appraisal process. She did collect payment at the time of inspection. She stated she did check measurements from a previous appraisal she completed on this property. She stated she did go back to get the photos, and she also checked the listing history of the subject property. She stated that the property was listed for significantly less than the 1.2 million dollars the homeowner was selling the property for. She said the Complainant became upset and insistent that information not be put in the appraisal report. She further said the Complainant did not want her to contact the agent because the Complainant had found a buyer on her own. She said the Complainant told her to cancel the appraisal report, but the Respondent told her the appraisal was already completed. She stated the Complainant hung up on her. The Respondent stated that she mailed the report to the Complainant. She also noted that the property is currently listed on the MLS for \$985,000.

Prior Complaint / Disciplinary History: None prior to these three complaints.

Recommendation and reasoning: The three reports presented above all have numerous Ethics Rules and Standard Violations which Commissioner Phillips believes is a result of the Respondent being more concerned with report production as opposed to quality of work product. The body of work is reflective of a lack of understanding of the appraisal process. It is representative of a person that has mastered the form-filling process as opposed to grasping the ability to properly analyze the problem to be solved. Commissioner Phillips met with the Respondent in an informal conference along with the Administrative Director and Legal Counsel. The Respondent was unable to adequately answer questions about the misreported data in the reports as well as improperly processing the approaches to value. For example, Commissioner Phillips asked the respondent to explain the income approach that had been used for a duplex property. He was told that you take the value derived from the sales comparison approach, divide it by a gross rent multiple that will give you the same value as reported in the sales comparison approach. In other words, Respondent believed that an appraiser should back into the value. The Respondent indicated this is the way she was taught. By using this technique, the Respondent was able to arrive at the same value, per unit, per room, and per bedroom. She also developed a value per square foot amount, but decided not to multiply it out; it would have produced much higher value.

Upon reviewing the Respondent's appraisals, and the reviews prepared by the Administrative Director, it is Commissioner Phillips' finding that these appraisals had substantial Ethics Rules and Standard Rules Violations. It appears that the Respondent has violated at least the following provisions of USPAP in all three of these reports: the Competency Rule, the Ethics Rule, Conduct Section, and SRs 1-1(b)(c), 1-2(e)(i), 1-4(a)(b), 1-5(b), 1-6(a)(b), 2-1(a)(b)(i), and 2-2(b)(iii)(viii)(ix)(xi). The violations are very serious and detrimental to the appraisal profession as well as the public. Further, it is Commissioner Phillips' finding that the Respondent demonstrated gross incompetency by performing an appraisal on a residential income producing property in which she does not have the ability to perform properly.

Based on the information cited above, Commissioner Phillips recommends, with the concurrence of the Administrative Director and counsel for the Commission, that the Respondent be offered a consent order wherein she will be obligated to pay a \$ 1,000 civil penalty and that her certification be suspended for eighteen (18) months, to serve six (6) months actual suspension with twelve (12) months stayed and served on probation. The terms of the 12 month probation should be that she is required to: (1. submit to Administrative Director an experience log every month, and to submit 3 reports from the first monthly experience log [with one of the 3 being a 2-4 family report] to the Administrative Director for review; (2. Administrative Director shall have the ability to request copies of appraisals to review from the logs for the second month through the end of probation; (3. Respondent to complete the following courses by December 31, 2008 – 30 hour sales comparison and income approach for residential properties, 30 hour cost approach course, and a 15 hour USPAP course; and (4. Respondent is not allowed to have trainees during the 12 month probationary period. If Administrative Director and counsel for the State are of the opinion that the Respondent has violated any provision of her probation, counsel for the State would then have the ability to file a petition for revocation of probation.

If Respondent rejects this proposal, it is recommended that a formal proceeding be initiated.

Vote: Mr. Bullington made the motion to accept the recommendation. Mr. Headden seconded the motion. The motion carried unopposed.

5. L08-APP-RBS-2008006371 Commissioner Woodford was the Reviewer

This complaint was filed by a consumer which alleged that the Respondent under-valued her log home and used inappropriate comparable sales to value her property. The Complainant sent in other appraisals and Broker Price Opinion's (BPO) as additional support for this complaint.

The Respondent stated in his response letter that, "The very report that is the subject of the complaint obviously disputes the claim that the estimated value is without support. The complaint as well as three post-appraisal phone conversations with the owner shows the lack of comprehension for a real estate appraisal. The owner is misinformed that a current estimated market value is in any way related to original construction costs, nor prior appraisal estimates, nor current loan value. The complaint does not dispute the contents of the report, nor its integrity, nor note specific errors/corrections. The complaint does not appear to hold issues with the appraiser nor the contents of the appraisal report. The subject of the complaint lies within the report's estimated value as compared to construction costs, current loan value and an appraisal prior to construction.

"In this case, however, I don't feel that the complaint is with 'my appraisal', rather the disparity between the appraisal and others, combined with the owners' lack of understanding of a real estate appraisal and its contents."

Prior Complaint / Disciplinary History: None

Recommendation and reasoning: Items of concern according to Commissioner Woodford. The primary items of concern include the value conclusion, square footage estimate, market analysis and replacement cost allowances. The scope of this review did not include a physical inspection and measurement of the property. However, it appears from a review of all the data, sketches, photographs, etc. that there may be some offsets to the floor plan that were not considered by (Respondent). The (Respondent) appraisal considered three comparables. Comparable No. 1 included a three car detached garage and therefore required no garage adjustment. This sale after adjustments indicated value at \$172,400 and may be considered the better comparable in that it did not require any garage adjustment. The other sales did not include the detached garage and a \$10,000 adjustment was made to account for the subject's three car garage. This coupled with the garage estimate and the replacement cost (\$21,600) indicates that the \$10,000 adjustment made to comparables 2 and 3 may be considered short of an adequate allowance. This is based on the overall property depreciation allowance which is only \$3,780. If the appraiser is of the opinion that the garage did not contribute but approximately 50% of its replacement cost then there should have been a significant functional obsolescence set out within the cost approach.

It is also noted that size estimates are all negative and are made at approximately \$30 per sq. ft. or 60% of the appraiser's estimated replacement cost. If the size of the home is misreported by (Respondent), then adjustments to the correct size would likely adjust the value indication to approximately \$163,000 based on the sales comparison approach.

The replacement cost estimate per square foot appears to be low, however, Commissioner Woodford has not seen the product but two other appraisers appeared to place the replacement cost closer to \$80.00 per sq. ft. than \$50.00 per sq. ft.

Conclusion as to appropriateness of appraisal as regards to USPAP

After reviewing all of the information submitted with this complaint, it appears that Standards Rule 1-1(b) was likely violated in that the square footage utilized to appraise the property appears in all probability to be incorrect. Secondly, it appears that the utilization of the cost approach was not correctly employed. Commissioner Woodford finds no reasonable basis for the assumption that the replacement cost at \$50.00 per sq. ft. is adequate.

Conclusion and Comments

Commissioner Woodford recommends that the appraiser receive a proposed consent order including requirements for him to complete a site valuation and cost approach course (15 hours). Respondent should also be offered the opportunity to have an informal conference, and if he does not accept the proposal, a formal proceeding should be authorized.

Vote: Mr. Flowers made the motion to accept the recommendation. Mr. Headden seconded the motion. The motion carried unopposed.

6. L08-APP-RBS-2008006971 Commissioner Flowers was the Reviewer

This complaint was filed by the Office of the Comptroller of the Currency (OCC) which alleged the Respondent failed to inspect or relied on third party information in the issuing completion certificates of approximately 200 new construction loans, without identifying extraordinary assumptions. Inspection items cited included failure to verify that toilets were operating and running water was available on some properties, that lines connecting to the sewer systems were completed and functional, and failure to inspect the interior of properties on other new construction homes in a rental/vacation home development. According to the complaint, the Respondent relied on information from the loan officer and developer as to the "complete" status of homes in this development. Respondent also testified as to these matters before the OCC in a December, 2006 deposition

Response was received from the legal counsel of the Respondent, who has been involved in the litigation matters. In the response letter, it was stated that, "following substantial completion of the construction and prior to closing of the permanent financing, (the Respondent) would be asked by (loan officer) to go to the site and perform a Certificate of Completion. If (Respondent) found a particular problem; for example, the water would not turn on, then he would call (loan officer) and tell him what he found. Typically, (loan officer) would then either explain to the appraiser why the water had been turned off or would call the appraiser back and tell him he had checked with the developer, and everything was okay to go ahead and certify that the cabin was complete. There was no way for the appraiser to tell whether the cabins were being constructed within the boundaries of the particular lots upon which they were ostensibly being built. The severe problems which ultimately came to light regarding the placement of roads, utility easements, and boundaries of lots and cabins being built straddling several lots did not come to anyone's attention until most of the appraisals complained of here had been completed."

Prior Complaint/ Disciplinary History: None.

Recommendation and reasoning: Commissioner Flowers was provided with a list of some 200 appraisals Respondent performed in this new development between late 1999 and 2001. In addition to the admissions which Respondent made in his sworn deposition, Commissioner Flowers picked 5 appraisals from this list at random, and Respondent provided copies of them for further review. As to Lot 39 (and Lots 87 and 100), Eagle Springs resorts, the conclusions of Commissioner Flowers are as follows: The appraiser describes the lot as being rolling with adequate drainage and that the lot has an average view in the site section of the report. In the comment section of the report the appraiser states that there is no visibly apparent hazardous materials stored or located on the subject site. In the certification section of the report the appraiser stated that he has made a personal inspection of the real estate that is subject of this report. In the certification section of the report the Supervisory appraiser stated that he has not made a personal inspection of the real estate that is subject of this report, however he does agree to be bound by the appraiser's certifications numbered 4 through 7. On the Subject Photo Addendum there are two photographs which purport to be the front of the subject property and the rear of the subject property. There is a third photograph which purports to be the street scene. According to the report the scenes were shot May 21, 2001. The appraiser states in the certification in two places that he has made a personal inspection of the lot or site on which the proposed house or Chalet were to be constructed he also signed the certification in two places. The problem with this Subject Photo Addendum is that within (Respondent's) file number 01312scm dated May 21, 2001, the same photographs are used in their report in File number 01460scm dated August 2, 2001 for lot 87 Eagle Springs Resort, and in File number 01680scm dated November 9, 2001 for lot 100 Eagle Springs Resort. All photographs of the subject in the three reports which were chosen at random are identical. If (Respondent) made a personal inspection of the lots the best evidence would be a photograph of the subject lot and street scene. If the property was not in condition to permit an inspection of the subject property this should have been disclosed. The evidence strongly suggests that each lot was not personally inspected. It is Commissioner Flowers' opinion that this is a violation of the Ethics Rule of USPAP 2001 EDITION CONDUCT SECTION. Respondent also likely violated USPAP's SRs 1-2(g)(h), 2-1(c), and 2-2(b)(viii)('99 – '01 editions). Accordingly, due to the Respondent's misleading and fraudulent conduct, it is recommended that he be provided a proposed consent order of revocation, and the opportunity for an informal conference. Finally, it is recommended that if Respondent rejects this proposal, formal proceedings should be commenced.

Vote: Mr. Headden made the motion to accept the recommendation. Dr. Baryla seconded the motion. The motion carried unopposed. The matter was re-opened with discussion and a recommendation was made to request all 200 reports from the Respondent to be sent in of CD. Mr. Headden made the motion to accept that recommendation. Mr. Woodford seconded that motion. The motion carried unopposed.

7. L08-APP-RBS-2008008461 Commissioner Woodford was the Reviewer

The Complainants, consumers, stated that they could lose their house because of the activities of an appraiser and a loan officer. They stated when they purchased the home the loan officer and appraiser told them the house was a modular home, not a manufactured home; and they thought this was a good deal because they were getting in with \$5,000 equity. They were not fully aware of the penalties that came with the loan agreement. Now they cannot refinance because other

mortgage companies have told them their house is a manufactured house, not modular, and is not worth what is owed on the loan. The Complainant stated they paid \$135,000 three years ago, and now have been told it is only worth \$107,000. They stated that since purchase they have made \$10,000 to \$20,000 in improvements. They stated they cannot keep the home continuing to pay on a 30 year interest only loan knowing the house isn't worth what they paid for it.

The Respondent stated that after the house was appraised he was questioned as to whether the house was modular or manufactured due to the presence of HUD plates. However, he stated he was provided documentation from the Bradley County Building Inspector and the insurance company to support the subject was a modular home. The Respondent included a letter from State Farm Insurance Company and a memo from the Bradley County Building Inspections. Staff noted the appraisal report appears to have been altered to include two additional comparable sales since the original appraisal performed for the client.

Prior Complaint / Disciplinary History: 200601075 (closed with a letter of instruction, pertaining to providing copies of appraisals to trainees)

Recommendation and reasoning: Income Approach - The income approach was not applicable and there was a statement indicating the reason for the exclusion of the income approach. Conclusion as to appropriateness of appraisal as regards to USPAP - Standards Rule 1-1. SR1-1(a) - the appraiser's non-adjustment for financing or consideration of the contract indicates a lack of understanding that leads to a non-credible opinion. SR1-5(b) - the pending contract is included in the requirement for sales research and should have been not only reported but reconciled with the value conclusion. It is difficult to reconcile a value conclusion of \$135,000 when the pending contract was for an essential net amount of approximately \$126,400. SR2-1(a)(b)(c). The appraiser has possibly violated Standard Rule 2-1 inasmuch as the conclusion that the structure was a modular as opposed to manufactured home is questionable. It appears that there was significant evidence (appraiser stated that he located HUD plates on the structure) that the home is a manufactured structure. Letters obtained from the insurance agent as well as the local building department stating that the property was considered a modular appear to be an attempt by the mortgage broker to accommodate a requirement as opposed to being factual. Regardless of the definition of structure type, it appears that the appraiser, knowing that the property had HUD plates, should have recognized in the appraisal to the reader that the property could possibly be considered a manufactured home and then subsequently used comparables that tended to match that quality of construction.

That leads to the second issue which possibly relates to a misleading report. That is that the appraisal apparently at one time was submitted utilizing only three sales of non-manufactured homes and at some other time included five sales, two of which were manufactured homes. Comparison to the manufactured home sales (comparables 4 and 5) obviously indicate a significantly lower value than was concluded in the appraisal. The credibility of the conclusion is questionable for the following reasons:

1. The appraisal indicated the property's value to be \$135,000.
2. Sales history was reported as none, inasmuch as the property had not sold within the prior year. The current contract was discussed, but there appears to be no reasonable reconciliation with the value conclusion and the contracted amount, especially considering all of the sales data. The property was reported to have been under contract at \$130,500 and included a provision for the seller paying \$4,100 toward the

purchasers closing costs. This would tend to indicate a cash equivalent sale price of approximately \$126,000 as opposed to the value conclusion of \$135,000. 3. A negative adjustment was made to Sales 1, 2 and 3 to reflect the difference in design and appeal of the subject which was a manufactured unit as compared to the site built comparables. This adjustment was calculated by the appraiser based on a \$3.00 per sq. ft. allowance applied to the square footage of the comparable property. There is no basis for the \$3.00 per sq. ft. allowance especially when compared to the additional two sales of manufactured homes which indicated significantly lower value conclusions. 4. The credibility of the conclusions is also brought into question by general review of the photographs of the subject property compared to the photographs of comparables 1, 2 and 3. Comparables 4 and 5 are much more similar in appearance and construction and would appear to be obviously more similar to the subject property regardless of semantics as to whether the home is manufactured, modular, etc. 5. The timing of the appraisal presentations is questionable. One appraisal includes the three site built homes and the second appraisal includes the site built homes as well as the two additional manufactured or modular comparables. 6. If the comparables 4 and 5 were added to the report after original submission, then the issue just goes to credibility. However, if comparables 4 and 5 were included in the original report and then subsequently deleted from the final presentation, then there is obviously an attempt to mislead.

Cost Approach

The cost approach was processed with reference to Marshall Valuation Service as the basis of replacement cost allowance and age life method utilized for depreciation. Site value was estimated at \$20,000, which is essentially the same price reported for the site when purchased August 16, 2001 by Monroe County Mobile Homes. This site value conclusion indicates little appreciation allowance for land value between 2001 and 2005 (the appraisal date).

Sale Comparison Approach

The appraisal copies provided to the reviewer included an appraisal with three sales as well as an additional appraisal that considered five sales. It is not clear as to whether the copy with five sales was a subsequent appraisal or if the original appraisal included five sales and two were eliminated prior to presentation. At any rate, the three primary sales, 1, 2 and 3, were typical site built homes and were compared to this manufactured three part home. Negative adjustments were made for design and appeal. However, the rate of adjustment appears to be short of adequately measuring the difference when

compared to the additional sales data. The additional sales data, Sales No. 4 and 5, were similar in construction and after adjustment indicated a value range from \$104,400 to \$118,500 per the appraiser significantly lower value than was concluded in the appraisal.

The reviewer does not have information as to the background of the submission of the appraisal and whether or not the appraisal was submitted with five comparables and if so, whether this submission was before or after the submission with only three comparables. This is unclear and the ability to determine that is outside of the scope of work that has been conducted to this point.

Conclusion and Comments

The credibility of this appraisal is certainly questionable. This conclusion is based on the following observations. The property was contracted for \$130,500 with the seller paying \$4,100 toward the purchasers closing cost which would calculate to a more typical cash equivalent price of \$126,400 or \$127,000 to allow for some normal closing expense. The appraiser appears to have

identified the property as a manufactured home but then accepted contrary information from what appeared to be an advocate lender to qualify the home as a modular constructed facility. The appraiser utilized typical site built homes with minimal negative adjustment for design to accomplish a value conclusion at \$135,000 without any narrative discussion of the pending contract which would have an equivalent sale price of possibly \$127,000.

Additionally, there are two reports in this file. One report includes only three site built homes and the second report includes an additional two sales of manufactured homes which are much more similar in appearance to the property being appraised and the comparables 1, 2 and 3. These additional comparables 4 and 5 indicate a much lower value indication than derived in the appraisal.

It appears that the appraisal value was in excess of what would be considered a reasonable and credible conclusion.

Recommendation

Based on this review, the appraiser is considered to have violated USPAP as follows:

SR1-5(a) Appraiser failed to adequately consider pending sale price and conditions of contract (seller concessions).

SR2-1(a)(b) Appraiser includes analysis using non-similar sales in one report as well as a second report with similar sales. There is no difference in the value conclusion although the similar sales demonstrate a much lower value. This is considered to be misleading.

The appraisal is considered to be misleading. Recommendation is for submission of a consent order imposing a civil penalty of \$3,000 and completion of a 15 hour USPAP course and a residential case study course of at least 30 hours. Respondent should be given the opportunity for an informal conference if he desires to attend one, and should he reject this offer, a formal proceeding should be commenced.

Vote: Mr. Flowers made the motion to accept the recommendation. Mr. Headden seconded the motion. The motion carried unopposed.

8. L08-APP-RBS-2008008531

This complaint was filed anonymously and included a newsletter article which alleged the Respondent was charged with unlawful photography in Williamson County in December of 2006 for video taping up a woman's skirt, within a public area of a shopping mall.

Respondent stated that it was true that he was arrested, but that he never confessed to the crime of unlawful photography and he refused to accept a guilty plea. After the case was bound over to the Grand Jury, the charge was voluntarily dismissed in February 2008 by the Court upon motion of District Attorney General, because it was conceded that the statutory requirements of Tenn. Code Ann. § 39-13-605 were not met – since the individual taped was not in a place where there was a reasonable expectation of privacy and because the individual was not readily identifiable. The Respondent stated he was in the process of getting a copy of the preliminary hearing tape which supports his position. He referenced an attorney for any further

correspondence. Upon further consultation with the Assistant District Attorney General who handled the prosecution, it was determined by counsel for the Commission that the Respondent had made no admissions and had given no confessions in the case.

Reviewer: None

Prior Complaint / Disciplinary History: 941821 (dismissed)

Recommendation and reasoning: Administrative Staff and counsel for the Commission believe that this complaint file should be closed and flagged, should there be future matters which come to the Staff's attention from law enforcement personnel or otherwise in the way of complaints. The subject incident had nothing to do with his professional activities as an appraiser, and the criminal charge was dismissed. Despite two written requests, the District Attorney's Office has released no documents (and perhaps, has none) which would help this office to prosecute a disciplinary case against this Respondent.

Vote: Mr. Bullington made the motion to accept the recommendation. Mr. Flowers seconded the motion. The motion carried unopposed.

9. L08-APP-RBS-2008008761 Commissioner Woodford was the Reviewer

The Complainants, consumers, alleged the Respondent acted unprofessionally in arriving late at their home, and then only was on-site for 35 minutes photographing and measuring their home. They alleged that the Respondent under-valued their home as it was valued significantly less than a previous appraisal they had obtained. They stated that they sent the Respondent additional comparable sales for consideration, but that Respondent did not use their comparables. They further alleged the appraisal report failed to include a third bathroom of the property, reported the square footage 48 square feet smaller than the previous appraisal, made an inappropriate adjustment for their house being brick and vinyl exterior when they stated it is all brick, and reported the age of the home to be three years, when it is actually four years old. In addition they also stated that no adjustment was made for the superior quality of their home to the comparables, and they questioned why all of the comparables used were funded by Chase. They also stated they were over charged for the appraisal.

The Respondent stated in his response letter that the age of the house was confirmed through assessor data and courthouse retrieval system information. He stated that the difference in the measurement in his report and that claimed by the Complainant is only 28 square feet. He stated the tax assessor reports 2248 as the square footage of the house, but from looking at their building sketch a 7 x 4 area where the garage cuts into the house appears to be the area of dispute. He stated this is unfinished garage space. He stated pertaining to the issue of the house being "all brick" that it is evident from the photo there is an area to the rear of the house that is vinyl. He further stated that no adjustment was made for this minimal amount of vinyl on the subject, but only houses that were all vinyl siding received adjustments. He stated per the upgrades to the subject, that the comparables had similar, but not necessarily the same upgrades as the subject property. He stated that the comparables were of similar actual and effective ages to the subject. He had added an additional sale per lender request and an additional listing. These were included as additional support, but were given little weight per Respondent. He stated that the financing of the comparables was a coincidence that he was not aware of, but it was not considered in his selection

of comparable sales. He admitted the bathroom was misreported in the appraisal; he stated he has since revised the appraisal and submitted that information to the lender as well as with this complaint. He stated the issue of being late was not felt to be relevant, but he wanted to state that he did not rush through the inspection. Pertaining to the fee, he said the figure they claim was not what he was paid and may have included charges from the lender. He included a rebuttal of the sales submitted by the Complainant.

Prior Complaint / Disciplinary History: 941880 (Closed with a Consent Order)

Recommendation and reasoning: The recommendations and conclusions from Commissioner Woodford follow. Completeness of material under review: The appraisal appears to be complete in format. The credibility of the conclusion appears adequate:

The appraisal appears to conform to the Uniform Standards of Professional Practice and no violations are cited. Conclusion as to appropriateness of appraisal as regards to USPAP: after reviewing all of the information, it appears that the appraisal meets the test of standards. Conclusion and Comments: Commissioner Woodford recommends that this complaint be dismissed.

Vote: Mr. Bullington made the motion to accept the recommendation. Mr. Headden seconded the motion. The motion carried unopposed.

10. L08-APP-RBS-2008009691 Commissioner Woodford was the Reviewer

The Complainant, an outside agency, stated that on an appraisal completed by the Respondent and effective May 14, 2007:

1. The listing history was omitted. *The property was listed for \$965,000 on 4/11/06 then that listing expired on 11/07/06.*
2. The subject's purchase and sale agreement was not analyzed or reconciled with the value indication. The purchase agreement submitted by the Complainant included a purchase price of \$1,111,110 dated 4/26/07 and included a \$20,000 seller concession and **also** the "gift of equity" to the buyer in the amount of 10% of the contract price. *The Respondent's appraisal report included that the purchase price was \$1,200,000, appear to be a normal arm's length transaction with typical terms, concessions, etc. for the market area. This contract was reported to have a date of 5/10/07 per appraisal report.*
3. The Respondent's appraisal report failed to identify or reconcile seller concessions in the comparable sales used and verify sales prices. *Sale 3 per public records sold on 10/23/06 and as reported by MLS information had a seller concession in the amount of \$22,975. Sale 4, as reported by MLS had a sales concession of \$39,802. Sale 5, as reported by public records sold for \$1,750,000 versus the \$1,584,000 reported in the appraisal report.*
4. Four of the six sales used were dated sales that may not reflect current market conditions.
5. The Respondent misreported the distance of a comparable sale. *In a field review conducted, it was reported that Sale 3 is 3.02 miles from the subject, not 0.15 as reported. Four of the six sales used are more than 3 miles from the subject in a different town which may have different market conditions.*

6. The Respondent misreported the site size of a comparable sale. *Per public records, Sale 1 has a site size of 9.41 acres, not the reported 4 acres.*
7. The Respondent misreported property characteristics of the comparable sales. *Sale 2 and 5 have swimming pools that were not reported/adjusted in the report. MLS information reports that Sale 5 has 6 fireplaces, not 4 as reported and as an elevator that was omitted.*

The Complainant submitted a copy of the referenced purchase agreement for \$1,111,110. They also included a copy of the Respondent's appraisal and a field review (which included MLS listing information). The field reviewer also questioned the summary of the improvements section, the validity of Sale 3, and the reasonableness of the comparable sale used to develop the value opinion. The field review appraiser indicated a significantly lower value opinion of \$935,000 as compared to the Respondent's value opinion of \$1,300,000 on the same effective date.

Respondent stated in his response letter that:

1. The listing history was omitted because the listing was more than one year prior to the appraisal effective date of 5/14/07.
2. The real estate agent provided a contract which had a sale price of \$1,200,000. The Respondent stated he never saw the contract dated 4/26/07. He stated another appraiser also had the same contract price on an appraisal conducted on 5/9/07 with the contract date of 2/27/07.
3. No sale concessions for comparable sale 3 and 4 were indicated on his data source (Chandler Report), per Respondent.
4. Sale 5 was provided as a comparable in the previously mentioned appraiser's report. While the Respondent admits this sale price is \$200,000 too high, he indicates this shows he was not intentionally inflating the appraised value.
5. He stated that an adequate summary of why older sales were used was included in the Sales Comparison Approach section of the report.
6. Pertaining to the misreporting of the distance of comparable sale 3, he states that the markets are very similar; however, lots were adjusted for any location differences. He stated that the mapping software placed this comparable in the wrong place and misreported the distance.
7. He stated pertaining to the misreporting of the site size of comparable sale 1, that Chandler reports included the site size as 4 acres and he relied on that.
8. He stated per the omitted swimming pools of the comparables, that he relied on the appraisal report of the previously mentioned appraiser and that person had omitted the information from their report.
9. Per the fireplaces and elevator information being misreported for comparable sales 5 and 6, he stated that he relied on Chandler report information, not MLS information.
10. The Respondent indicated that all errors alleged would only have lowered the value estimate.

Prior Complaint / Disciplinary History: None

Recommendation and reasoning: Item 1. This relates to the property and marketing history. The information indicates that the property was listed on April 11, 2006 for \$965,000 and the listing

expired 11/07/2006. According to this information, the property was available for sale at \$965,000 within one year of the appraisal date. The appraisal indicates that the property was neither currently offered for sale, nor had been on the market in the twelve months prior to the effective date of the appraisal. However, under comments, the only indication was that the property was for sale by owner. The fact that the property was offered for sale via listing within the prior year at \$965,000 was not reported in the appraisal.

Item 2. The reviewer indicated a contract being provided to the review appraiser at \$1,111,110,000 with seller participation to include \$20,000 in sale concessions and 10% of the contract price equity gift, or \$111,111.00, which would indicate a possible cash equivalent contract price of approximately \$1,068,889.

Item 3. The appraiser indicated the contract provided to him at time of appraisal was for \$1,200,000 and did not include any sale concessions. He also noted that the Graham appraisal which he had a copy of, indicated a contract price of \$1,200,000 dated February 27, 2007. On reading the Graham appraisal, the contract price is shown at \$1,200,000. However, there is also a mention of \$25,000 being paid on behalf of the borrowers toward closing costs by the seller. This would have indicated a possible cash equivalent price of \$1,175,000.

Item 4. The next issue regards the reported price range for housing in the neighborhood. The reviewer's opinion of price range within the neighborhood was \$155,000 to \$2,000,000 while the appraisal price range was \$400,000 to \$2,500,000. I note that the price range indicated in the appraisal is exactly the same as that indicated in the Graham appraisal.

Item 5. The next item relates to accuracy of improvement description. Here the reviewer states that a home with an elevator and 100 year old wood flooring is not typical of other homes in the area. Secondly, the square footage in the appraisal is reported at 6,548 while the Graham appraisal reported the square footage at 5,948.

Item 6. This item relates to the selection of comparables. The reviewer indicated that comparable 1 was much larger in size and located on 4 acres. Comparable 2 was considered to be a bogus transfer. Comparable 3 was located on 3.01 acres. All of these land differences are related to the subject's site area of 0.35 acres. The reviewer's information is supported by the reviewer's analysis which considered four transactions reportedly within 0.43 to 3.02 miles in distance with floor areas sizes much similar to the subject property and with the site areas ranging from 0.48 to 3.76 acres, but with most sites being less than one acre. The reviewer's comparison of the four sales to the subject indicated a value estimate of \$935,000 with a value range of \$910,000 to \$965,825.

Commissioner Woodford notes that the four sales utilized by the reviewer were all smaller in square footage and did not bracket the subject as to size so that all the square footage adjustments are positive.

Item 6 related to the location of the properties which is covered in the above discussion.

Item 7 refers to the individual adjustments set out within the sales comparison approach.

The reviewer disagreed with the appraiser's analysis based on the following: Per square foot size adjustment of \$40.00 was considered inadequate; Comparable No. 2 had a pool; Comparable No. 3 reportedly had sale concessions of \$22,975; Comparable No. 4 had sale concessions of \$39,802; Comparable No. 5, according to the reviewer, has 6.3 baths and square footage of 10,078, versus 9,207 reported in the appraisal as well as 6 fireplaces as opposed to 4 and also an elevator rather than no elevator and the sale price was \$1,750,000 as opposed to \$1,584,000; and Comparable No. 6 had a swimming pool which was not reported nor adjusted.

Conclusion as to appropriateness of appraisal as regards to USPAP

Standards Rule 1-1(c). The appraiser is considered to have violated SR based on the series of errors - i.e., sale concessions, physical aspects of comparable properties, etc., that while individually might not be considered significant, taken in total tend to provide a less than credible result.

SR1-4(a). The appraiser is considered to have violated this standard which requires analysis of comparable sales that are available to indicate value conclusion. The sales considered in the review appraisal appear to be closer to the property and closer relative to size and comparability. There are some errors reported in the analysis of the sale, for example, not including pools, elevator, etc., appear to violate this standard.

SR1-5(a). The appraiser appears to have failed to properly analyze agreements of sale, options, listings, etc. in development of the appraisal conclusion.

SR2-1(a) The failure to consider the property's listing and accurate contract history along with sale selection, appears to be misleading and is certainly misleading according to the third party reviewer. The appraiser's opinion of value was \$1,300,000 while the reviewer's opinion of value was \$935,000.

Conclusion and Recommendation

Based on the Respondent's:

-

Failure to properly consider the property's listing and contract data

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Failure to include comparables located closer and more proximate as to quality, size, etc.

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Failure to adequately report sale concessions and property characteristics, and his

-

Failure to reconcile approaches (it appears minimal consideration was given to the cost approach although the subject property appears to be new construction),

It is Commissioner Woodford's recommendation that the Respondent be offered a consent order, and the opportunity for an informal conference, wherein he will be asked to complete 45 hours of courses with either of the following two combinations: (a. Advanced Residential Applications and Case Studies/Part I (15 hours) and Advanced Residential Report Writing/Part II (30 hours); or (b. Residential Report Writing and Case Studies (15 hours) and Residential Sales Comparison and

Income Approaches (30 hours). Respondent should be required in this proposal to complete all such courses by December 31, 2008, or his certified residential certificate will not be renewed. Should Respondent reject this proposal, a formal proceeding should be commenced.

Vote: Mr. Headden made the motion to accept the recommendation with the amendment that a civil penalty also be included as part of the consent order for \$1,000. Mr. Flowers seconded the motion. The motion carried unopposed.

11. L08-APP-RBS-2009009721 Commissioner Wade was the Reviewer

This complaint was submitted anonymously, but included a Memorandum on Motion to Avoid Judicial Lien – from the United States Bankruptcy Court for the Eastern District of Tennessee. Included in this court document were allegations that the Respondent over-valued a residential property and favored the cause of the client. At the time the appraisal was conducted the Respondent was a trainee, but inspected the property alone. A separate complaint has been opened pertaining to the supervising appraiser.

The Respondent stated in her response letter that she appraised the property by standard methods of appraisal practice, and not by the means described by her supervisor in his testimony. She stated that per the homeowner significant renovations had been completed and the Respondent stated that the only deferred maintenance she noted has been paint. She determined from this that the effective age was 15 years and the condition was average. She stated she used comparable sales that were similar in characteristics but had to extend the comparable search because the area is not densely populated as it is outside the city. She stated she does not recall anything that would put the subject in below average condition as the other appraiser did, but she did note that his appraisal was done three months later. She could only speculate that when the property went into foreclosure the property owners may have damaged the property prior to leaving. She also stated she was not aware of the loan amount or the loan-to-value ratio necessary to secure the mortgage loan as implied by her former supervisor. She stated she was not experienced enough to testify in trial, having had only a year and a half of experience. She stated her former sponsor did little more to teach his trainees than to show them how to fill out the form, and she had to seek supplemental sources to become an appraiser through education and review and other appraisers. She stated that her former supervisor was “a lousy sponsor” and that she no longer has contact with him.

Prior Complaint / Disciplinary History: None

Recommendation and reasoning:

Sales Comparison Approach: The reviewer noted an error in the reporting of the exterior wall cover of comparable 1. According to the MLS information, the exterior of comparable 1 is brick. The reviewer cannot determine from the photograph how much of the exterior of the dwelling is brick (brick veneer). The appraiser did not adjust or explain the lack of adjustment for the inferior porch and stoop improvements of the subject property as compared with the superior covered porches, fireplaces, decks, and other improvements of the sale properties. (e. g. [SR1-1 (b), (c); SR1-4 (a)])

Cost Approach: The cost information appears to be accurate given the parameters provided the M&S Residential Estimator Program and the description of the improvements in the report. The land value appears to be reasonable.

Income Approach:

The income approach is not applicable as explained in the report.

Reconciliation:

The appraiser did not reconcile the \$17,198.00 (12%) difference in the \$142,802.00 cost approach and the \$160,000.00 sales comparison approach indicated values. (e. g. [SR1-6]).

Commissioner Wade is of the opinion that the Respondent should not be disciplined, because she was a trainee and under the direction of her sponsor at the time, because of her very cooperative attitude and because of her voluntary admission that she was not properly trained and had to seek assistance to become an appraiser through supplemental sources, through education and from other appraisers. Commissioner Wade therefore recommends that this complaint be closed and flagged in case Respondent receives additional complaints.

Vote: Mr. Bullington made the motion to accept the recommendation. Mr. Woodford seconded the motion. The motion carried unopposed.

12. L08-APP-RBS-2008009731 Commissioner Wade was the Reviewer

This complaint was submitted anonymously, but included a Memorandum on Motion to Avoid Judicial Lien – from the United States Bankruptcy Court for the Eastern District of Tennessee. Included in this court document were allegations that the Respondent over-valued a residential property and favored the cause of the client. At the time the appraisal was conducted the Respondent was a supervisor to a trainee. Per statements included in the document the trainee inspected the property alone. A separate complaint has been opened pertaining to the registered trainee (now upgraded to CR).

No response was received from the Respondent. The certified mail was signed for by the Respondent on 4/21/2008.

Prior Complaint / Disciplinary History: 200419160 (Dismissed); 200602694 (Closed with consent order \$3,000, 15 hr USPAP course)

Recommendation and reasoning: The identical information as contained in the discussion as to General USPAP issues, application of the sales, cost and income approaches, and reconciliation in the immediately preceding case at page 19 of this report (regarding the Registered Trainee serving under this Respondent's supervision) is presented by Commissioner Wade as being applicable to this case.

Commissioner Wade is of the opinion that this Respondent, as supervisor, should bear the responsibility, since he was the trainee's sponsor. Commissioner Wade recommends a formal proceeding be commenced seeking suspension or revocation against this Respondent, since he had a prior complaint that was closed with a consent order, and with requirements that he complete a 15-hour USPAP class, and that he paid a \$3,000.00 fine. Also, he had a prior complaint that was dismissed. This Respondent's conduct appears to be part of a pattern, and Commissioner Wade is

not sure that an additional civil penalty or additional education will help him, especially since he did not even choose to respond to the instant complaint after being served with certified mail.

Vote: Mr. Woodford made the motion to accept the recommendation. Mr. Bullington seconded the motion. The motion carried unopposed.

13. L08-APP-RBS-2008010101 Commissioner Woodford was the Reviewer

The Complainant, a consumer, stated that the Respondent appraised his property inaccurately for \$350,000, contrary to the appraisal completed just three months earlier by another appraiser for \$377,000. He also stated that \$50,000 in renovations had been completed prior to the appraisal by the Respondent. He also listed errors in the report that included:

- One of the bedrooms is missing from the report and sketch. He stated that the house is a four bedroom house, not a three bedroom.
- All windows throughout the house were replaced with wood, not aluminum and are "Low E" double pane windows.
- There is no slab/crawlspace; the house has a full finished basement.
- The kitchen has been remodeled with new granite countertops, new fixtures, stainless appliances, and copper piping throughout.
- The house and guest unit/garage have new architectural shingles.
- The house has four exterior decks all with interior access.
- The Respondent used pictures from MLS, not taken at the time he inspected the property.
- The Respondent did not use sales of homes of similar size and located on 4 acres of property; all comparables are on less than ½ acre sites.

Respondent stated in his response letter that he was unaware of a previous appraisal and it had no weight in his appraisal. He further stated that he did take into consideration the previous sale of the subject for \$650,000 on 3/16/2006, but could find no market data to support the prior sale price. He stated per the bedroom count, that there is a loft area that is open area, which was included in the GLA but not as a bedroom because it does not offer typical privacy of bedrooms in the market. He stated there was another room off the loft, but it had only a 5 foot door entry, and was not included in GLA for that reason. It was given contributory value in the sales comparison approach. He stated in retrospect he should have included this area in the building sketch and disclosed its entry issue. He stated that identifying the windows as aluminum instead of wood was an error on his part. He stated the basement was 1193 square feet and shown on the market grid, while the main level is 1993 square feet. He stated the remaining area is crawlspace and concrete block. The marking of the slab box was an error on his part. He stated the upgrades and features listed by the Complainant are not unusual for residences in this price range and market area. The Respondent stated pertaining to the rear photo, that an MLS photo was used in the report because the photo he had taken did not take correctly, and was used as a temporary substitute until the final inspect of this "subject to" appraisal. Pertaining to comparable sale selection and site size, he stated that one of the three comparables has a larger site and that the GLA was bracketed by the comparables. He stated that he determined that the comparables from the immediate neighborhood best represented the value of the subject property. He stated he believes the value indication to be fair and supported.

Prior Complaint / Disciplinary History: None

Recommendation and reasoning: The appraisal appears to be complete in format. Conclusion as to appropriateness of appraisal as regards to USPAP and completeness of material under review: the appraisal appears to conform to the Uniform Standards of Professional Practice and no violations are cited. Conclusion and Comments: Commissioner Woodford would recommend that this complaint be dismissed.

Vote: Mr. Bullington made the motion to accept the recommendation. Mr. Flowers seconded the motion. The motion carried unopposed.

14. L08-APP-RBS-2008010921

This complaint was filed by the Administrative Staff of the TREAC, with the concurrence of counsel, based on concerns that Respondent, a Registered Trainee (registration effective in late December of 2007) provided false, misleading and/or fraudulent information to the Tennessee Real Estate Appraiser Commission in late November and December, 2007 as follows:

1. On the trainee registration application notarized on November 24, 2007, the residential address listed on Respondent's application was reported to be 711 Signal Mountain Road, #112, Chattanooga, TN 37405. In a Chapter 7 bankruptcy petition filed in Northern Alabama, the Respondent signed on November 21, 2007, residence was claimed in Northern Alabama, and in his sworn testimony at his Chapter 7 meeting of creditors on January 14, 2008, Respondent testified that his mother's residence at 3908 Eighth Court South, Birmingham, AL, had been his residence since May of 2007. In October of 2007, the Respondent filed a suit in US District Court in the Middle District of Tennessee (and on February 29, 2008 he re-filed this suit after non-suiting it initially) claiming that he was a citizen of Florida. The Signal Mountain Road address is a Mailbox, Etc. business and not a residence. Moreover, Rule 1255-1-.12 (8) requires trainees to provide a current residential address to the Commission and to update any change in residential and business addresses to the Commission in writing within 30 days after such change and the Commission office has received no written change of residential address from the Respondent since the trainee application was received.
2. On Respondent's registration application notarized on November 24, 2007, in Respondent's letter of explanation pertaining to character question one (1), and during the applicant conference on December 10, 2007, the Respondent did not disclose specifically that he had been disciplined by the medical and/or osteopathic medical boards of Virginia, Michigan, Florida, Indiana, Texas, and Ohio and he did not disclose the specific discipline imposed against him in those states.
3. During the applicant conference on December 10, 2007, Respondent stated he was Board certified. There did not appear to be evidence that the Respondent was Board certified by any of the 24 specific national medical boards that offer credentials in specific fields as of the time of the December 10, 2007 applicant conference, although Respondent has claimed in July 2, 2008 correspondence to counsel for the Commission that he is presently Board certified in Anesthesiology and Orthopedics.

4. On the Respondent's registration application notarized on November 24, 2007, and during the applicant conference on December 10, 2007, the Respondent denied that there were any pending charges against any of his professional licenses, but as of November and December of 2007, there was a pending disciplinary complaint against the Respondent before the Alabama Board of Medical Examiners which became a formal administrative complaint filed against the Respondent with the Alabama Licensure Commission on January 2, 2008.
5. On the Respondent's registration application notarized on November 24, 2007, and during the applicant conference on December 10, 2007, the Respondent did not disclose that the State of Indiana Medical Board found in an April 14, 2007 final administrative order that the Respondent had engaged in fraud or material deception by failing to reveal that his privileges were suspended at Putnam General Hospital on his 2005 Indiana renewal form, resulting in a 2007 indefinite suspension in Indiana.
6. During the applicant conference on December 10, 2007, and in a letter of explanation pertaining to character question one (1) dated November 26, 2007; the Respondent stated that his revocation in West Virginia was the result of his filing whistleblower complaints against a group of physicians who were allegedly engaging in health care fraud, but the Commission office is aware of no evidence that he made such "whistleblower" complaints as of the time he submitted his written request for cancellation of his medical license to the West Virginia Osteopathic Board in August of 2003.

Reviewer: None needed

Prior Complaint / Disciplinary History: None

Recommendation and reasoning: Numbered items 3. through 5. above may be dubious and difficult to prove, because of the following: (a. further investigation as to item 3. may uncover the fact that Respondent is, or was at certain times in the past, Board certified in certain medical fields; (b. even though Respondent did not reveal the pending disciplinary investigation of his Alabama medical license in late November or by December 10, 2007, the Commission's application only requires applicants to disclose "pending charges" against any professional license the applicant has – this language may very well be interpreted to include only "formal proceedings" or "formal charges" because a disciplinary complaint filed by a member of the general public is not equivalent to "charges" being filed by the licensing agency – "formal charges" against Respondent's Alabama osteopathic medical license were not filed until January 2, 2008; and (c. the Respondent would probably win an argument that he was not required to disclose the Indiana Medical Board's finding that he committed fraud in an April, 2007 final order, because this administrative order was not equivalent to a judgment or decree of a court, as requested in the current application.

Respondent is very litigious and will likely also defend by contending that the Commission had the affirmative obligation to have specifically requested further information and copies of all other states' administrative orders setting forth the specific nature of all allegations and findings against him, before granting him registered trainee status in December of last year. It is believed that this argument will not be meritorious, since the application materials require the applicant to state under penalty of perjury, that "the information given herein is true, correct and complete to the best of my

knowledge". Further, the application materials also inform the applicant that "any registration that I may obtain may be revoked for supplying false or misleading information to the Commission."

Counsel for the Commission and the Administrative Staff recommend that the Respondent be offered a Consent Order of Revocation, and if said proposed order is rejected, that formal proceedings be commenced.

Vote: Mr. Headden made the motion to accept the recommendation. Mr. Flowers seconded the motion. The motion carried unopposed.

15. L08-APP-RBS-2006036051 Docket No. 12.36-099110A
Commissioner Headden was the Reviewer

On October 15, 2004, the Alabama Real Estate Appraisal Board filed a consent settlement order signed by Respondent wherein he agreed to an three (3) month suspension (which was stayed), an eighteen (18) month probationary period, and which required him to pay a \$ 725.00 civil penalty to the Alabama Board within 30 days after October 15, 2004. The underlying appraisal involved property which was located in an environmentally contaminated zone, and this was widely known through television ads, newspaper articles and EPA publications. The Alabama Board found that Respondent engaged in fraud by submitting to the Alabama Board in response to the complaint a copy of the appraisal which had an addendum addressing environmental contamination, where it was clear that Respondent had not prepared or attached any addendum to the original of the appraisal that was sent to the lender in late 2001. The Alabama Board also found that Respondent used sales in the sales comparison approach that were outside the area identified as suspected of environmental contamination, and that he did not report that the market area for the comparables was not in close proximity to the area suspected or known to be contaminated.

Respondent did not pay his \$ 725 civil penalty until after he received certified mail notice of his deficiency in late July of 2006, and his license was immediately suspended for 3 to 4 days until he paid this penalty to the Alabama Board. In September of 2006, Administrative Staff opened the instant complaint file, and between 5 and 10 first class and certified mail letters requesting his response sent by staff and the Office of Legal Counsel were returned unclaimed between September of 2006 and early April of 2007. In late February of 2007, the services of a Departmental Regulatory Board Investigator were obtained to locate Respondent, and the investigator found his current business address in Anniston, AL in early March of last year. Respondent did not submit his change of address in writing within 30 days of any address change between September of 2006 and early April of 2007 as he is required to do by Tenn. Code Ann. §§ 62-39-317(b).

In July of 2007, Respondent was offered a 6 month suspension in a proposed consent order authorized by the Commission, but he did not respond to that prior offer. In May of this year, counsel for the State began working on, and at the end of May filed a notice of charges against the Respondent seeking suspension or revocation. This matter proceeded toward a proposed hearing date of today before the Commission, and two conference calls were conducted between the parties and the Administrative Law Judge. As of the last conference call conducted on Thursday of last week, the parties were exhorted by the Administrative Law Judge to try settlement one final time. Over the weekend, Respondent has e-mailed counsel for the State, and has agreed to accept the last settlement offer made by Agreed Order – that his certification as a certified residential real

estate appraiser be revoked, and that he pay the entirety of the State's costs in this matter (to include investigative, the legal division's, the Judge's and court reporter's time expended in this matter), for which execution may issue if necessary. Respondent has also agreed that his conduct violated Tenn. Code Ann. §§ 62-39-317(b), 62-39-326(4)(5), 62-39-329, Tenn. Comp. R. & Reg. 1255-5-.01(2), and USPAP's Ethics Rule, Conduct Section, and SRs 1-1(b), 2-1(a) and 2-1(b), within this Agreed Order.

Prior Complaint/Disciplinary History: None in Tennessee.

Recommendation and reasoning: Tenn. Code Ann. § 56-1-313(a)(1) allows this Commission to impose reciprocal discipline on a Respondent whose license to practice in the same profession has been disciplined in another state. The degree of discipline does not however, have to be identical, particularly where there are additional violations in the form of his failing to claim properly-addressed certified mail from the Department and failing to notify the Commission staff of his changes in business and other addresses for a seven month period.

Respondent also caused counsel for the State to expend considerable time and effort preparing for hearing up until the last minute, by not participating in one of the prior conference calls, by not letting the Judge and counsel know whether he was planning to participate or come to Nashville for the scheduled hearing, and by not communicating clearly until the very last minute that he would accept the revocation. Counsel for the State has also spent considerable time preparing the Administrative Director and the Investigator for hearing in this matter.

Only because Respondent has accepted the highest sanction (revocation), admitted all factual allegations and agreed to pay all investigatory and hearing costs, does counsel for the State recommend that the Commission accept this proposed Agreed Order. This results in the same outcome as would be requested by the State if the case were actually heard.

Vote: Mr. Flowers made the motion to accept the recommendation. Mr. Woodford seconded the motion. The motion carried unopposed.

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Being no further business, the meeting was adjourned at 1:22 p.m.

Nikole Avers, Administrative Director

Chairman, James E. Wade, Jr.